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FOR IMMEDIATE RELEASE

GROUPM FORECASTS GLOBAL AD SPENDING TO FALL 5.5 PERCENT IN 2009, 1.5 PERCENT IN 2010

Report Predicts Modest Recovery Will Begin in 2010

Global advertising spending in measured media is expected to drop 5.5 percent to $417 billion in 2009 with a mild recovery expected in 2010 when the decline should ease to 1.4 percent or $411 billion, according to the latest 70-country forecast report from GroupM.

The so-called BRIC nations (Brazil, Russia, India and China) are expected to lead the recovery while ad spending in the U.S. and the G7 nations (Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States) will probably lag behind, according to the report.

The study, “This Year, Next Year” is part of GroupM's media and marketing forecasting series drawn from data supplied by parent company WPP's worldwide resources in advertising, public relations, market research, and specialist communications. It was released today by GroupM Futures Director Adam Smith in London and GroupM Chief Investment Officer Rino Scanzoni in New York.

“China's economic stimulus has already bolstered confidence, and the demand for advertising in Russia will recover quickly if $70-a-barrel oil prices are here to stay,” said Smith. “Brazil and Indonesia remain among the top growth contributors, and India is predicted to come back strongly after pausing in 2009"

Advertising expenditures in the United States are expected to fall 4.3 percent this year followed by an anticipated 6.5 percent drop in 2010, according to the report. Those figures compare to an average 6.4 percent decline in 2009 followed by a 5.5 percent drop in 2010 in the G7 nations (Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States).

But Smith stressed that global prospects for a limited ad recovery in 2010 are improving. “Advertising lagged economic recovery for about 18 months after the recession of 1992 and about 12 months after the one in 2001,” he said. “Our global forecast for 2009 has finally

stopped tumbling. The 15 countries still reporting positive ad growth in 2009 has become 33 in 2010, and the number could rise as we phase through the year."

In the U.S., Scanzoni said U.S. ad spending should stabilize this year and next, but will still be down. "We expect a bottoming out on local media spend in 2009 with more stability into 2010," he said. "However, we are expecting further contraction on national media particularly television as clients adjust budgets to reflect a continued pessimistic consumer spending forecast"

PACKAGED GOODS LEAD THE WAY

The report also revealed that packaged goods marketers contributed significantly to sustaining advertising during the recession, while auto and financial retreated furthest. This resulted in television and out-of-home adding global ad investment share, and newspapers continuing to shed almost one share point about annually. Despite broadband saturation and advertising cutbacks in many developed economies, digital media continued to display growth, rising from 10 percent of global ad investment in 2007 to a predicted 15 percent in 2010.

The full "This Year, Next Year" worldwide report, which contains forecast figures for 70 nations worldwide, is now available. For copies, please notify the media contacts listed below.

Media USD m, current prices	**2008**	**2009f**	**2010f**
NORTH AMERICA	**167,492**	**160,441**	**150,578**
yoy %	-2.0	-4.2	-6.1
LATIN AMERICA	**18,769**	**20,064**	**22,203**
yoy %	11.3	6.9	10.7
WESTERN EUROPE	**106,739**	**94,548**	**91,433**
yoy %	-1.4	-11.1	-3.5
EMERGING EUROPE	**17,904**	**14,977**	**15,377**
yoy %	11.2	-16.3	2.7
ASIA-PACIFIC (all)	**116,866**	**113,579**	**117,174**
yoy %	6.3	-2.8	3.2
NORTH ASIA	**46,359**	**47,025**	**50,933**
yoy %	18.6	1.4	8.3
ASEAN	**8,827**	**9,210**	**10,196**
yoy %	9.9	4.3	10.7
MIDDLE EAST & AFRICA	**13,033**	**12,833**	**13,802**
yoy %	20.7	-1.5	7.5
WORLD	**440,803**	**416,443**	**410,566**
yoy %	1.8	-5.5	-1.4

Media investment yoy %, adjusted for CPI

	2008	2009f	2010f
NORTH AMERICA	-5.5	-3.4	-6.1
LATIN AMERICA	4.2	1.1	5.6
WESTERN EUROPE	-4.2	-11.8	-3.8
EMERGING EUROPE	2.4	-18.2	-2.7
ASIA-PACIFIC (all)	1.6	-3.7	-4.2
NORTH ASIA	12.5	0.9	7.3
ASEAN	0.8	-0.5	5.4
MIDDLE EAST & AFRICA	9.2	-7.1	2.0
WORLD	-2.4	-5.9	-4.3

ABOUT GROUPM

GroupM is the leading global media investment management operation. It serves as the parent company to WPP media agencies including MAXUS, MediaCom, Mediaedge:cia and Mindshare. Our primary purpose is to maximize the performance of WPP's media communications agencies on behalf of our clients, our shareholders and our people by operating as a parent and collaborator in performance-enhancing activities such as trading, content creation, sports, digital, finance, proprietary tool development and other business-critical capabilities. The agencies that comprise GroupM are all global operations in their own right with leading market positions. The focus of GroupM is the intelligent application of physical and intellectual scale to benefit trading, innovation, and new communication services, to bring competitive advantage to our clients and our companies.

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